



**OFFICE OF THE CITY AUDITOR**

City of Long Beach  
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**C-17**

**GARY L. BURROUGHS, CPA**  
City Auditor

July 5, 2005

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

**RECOMMENDATION:**

I recommend that the City Council request the City Attorney to prepare and authorize the City Manager to execute a contract with KPMG, LLP, for audit services not to exceed \$514,925 for the 2005 audit and \$600,000 for the 2006 audit. The term of the contract will be from July 1, 2005 to June 30, 2007.

**DISCUSSION**

As you know, my office conducts the annual financial audits of the City and its enterprises. In order to effectively complete these audits, we contract for additional audit resources from KPMG, LLP, an international accounting firm. Included in the scope of work are 11 financial reports, including the City's Comprehensive Annual Financial Report, Harbor, Water, Gas, Airport, Long Beach Transit, and Redevelopment. Once again I am recommending we continue our relationship with KPMG, LLP, in order to capitalize on their experience in Long Beach and their expertise in government auditing.

We have negotiated a two-year agreement for a fixed amount of \$514,925 for the September 30, 2005 audit and \$600,000 for the September 30, 2006 audit.

**TIMING CONSIDERATIONS**

City Council action is requested on July 5, 2005, to facilitate processing of the required documents.

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FISCAL IMPACT

The City will incur charges of \$514,925 and \$600,000 for Fiscal Years 2006 and 2007, of which only 38% is General Fund.

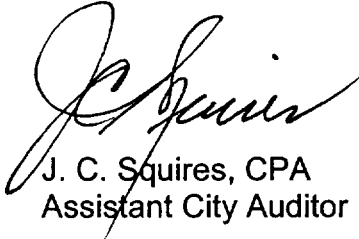
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

GARY L. BURROUGHS, CPA  
CITY AUDITOR

By:



J. C. Squires, CPA  
Assistant City Auditor